

BUILDING A STRONGER CALIFORNIA

Financing Healthcare, Education,
Better Communities and Jobs
Investing Taxpayers' Money

2006 ACCOMPLISHMENTS

California State Treasurer's Office
Bill Lockyer, Treasurer

STATE TREASURER'S OFFICE
Financing Healthcare, Education, Housing,
Environmental Protection and Jobs
Investing Taxpayers' Money

2006 Balance Sheet

Healthcare

\$1.32 Billion

146 grants to clinics serving CA's neediest,
16 hospitals constructed or remodeled

Education

\$3 Billion

55 charter schools, 12 colleges and
26,000 student loans

Housing

\$4.2 Billion

32,000 rental units and single family homes,
500 low-cost loans to teachers

Community Development

\$4.7 Million

20 smart growth and brownfield projects

Economic Development

\$355 Million

3,000 jobs and
28 waste management and recycle projects

Investment Earnings

\$2.16 Billion

State-local portfolio of \$57.1 billion

T o t a l

\$11.04 Billion

State Treasurer's Office Accomplishments 2006

Healthcare

The State Treasurer's Office provides low-cost financing for clinics and hospitals through the California Health Facilities Financing Authority (CHFFA). With grants, tax-exempt bonds and loans, CHFFA helps nonprofit and governmental health facilities pay for capital improvement projects and other needs. The following summarizes CHFFA's accomplishments in 2006:

Community Clinics	\$40 Million	CHFFA approved grants to 146 community clinics which serve underrepresented patients in California. The funds were used to expand and renovate outdated facilities, purchase much-needed equipment and upgrade technology, allowing for 518,000 more patient visits.
Children's Hospitals	\$112 Million	CHFFA administers grants under the 2004 Children's Hospital Bond Act (Proposition 61), which funds services for the most seriously ill and injured children. CHFFA approved four grants to hospitals serving nearly 424,000 patients.
Small and Rural Clinics and District Hospitals	\$1.8 Million	CHFFA approved six low-cost loans under the Healthcare Expansion Loan Program II (HELP II). HELP II improves and expands access to healthcare by helping small and rural health facilities, and district hospitals, obtain adequate financing for their capital needs. The six recipient facilities serve 56,000 patients.
Hospital Financing	\$ 1.17 Billion	CHFFA approved three tax-exempt bond financings to remodel or construct 12 hospital facilities throughout the state. The transactions included a record \$700 million to Kaiser Permanente, affecting more than six million patients. Bond proceeds may be used to construct, acquire or remodel facilities, or buy equipment, among other purposes.

Total **\$1.32 Billion**

Healthcare Success Story: In 2006 the Dientes Dental Clinic received a \$174,210 Community Clinic Grant from CHFFA to remodel and expand the existing clinic to accommodate two additional dental chairs. Dientes was founded in 1992 by a group of local dentists concerned about the lack of dental care available to low-income residents of Santa Cruz County. The project made a big difference by allowing 2,000 more patient visits a year. Dientes previously accessed the HELP II loan program to refinance a loan, saving \$110,000 over the life of the loan. Dientes has provided services to more than 40,000 residents, one-third of them children.

State Treasurer's Office Accomplishments 2006

Education

The State Treasurer's Office helps fund education through the California School Finance Authority (CSFA), California Educational Facilities Authority (CEFA), California Debt Limit Allocation Committee (CDLAC) and ScholarShare. CSFA provides tax-exempt, low-cost financing to charter schools, school districts and community colleges to repair and construct facilities, and for working capital. CEFA approves revenue bonds to assist private, nonprofit colleges expand and construct facilities, as well as purchase equipment and technology. CDLAC provides funding for student loans. ScholarShare is California's \$529 college savings plan. The following summarizes these programs' accomplishments in 2006:

Charter School Construction or Remodel	\$62 Million	CSFA approved grants to 55 charter schools to build or remodel facilities for 15,500 students.
College Construction or Remodel	\$402 Million	CEFA approved 12 bond financings for college building projects in Los Angeles, Marin, San Francisco, San Joaquin and Santa Clara counties.
Academic Assistance for Students in Low-Performing Schools	\$2 Million	CEFA provided nine Academic Assistance Grants for mentoring and outreach to middle and high school students.
Student Loans	\$210 Million	CDLAC provided loans for 26,437 students.
College Savings Accounts	\$2.3 Billion	ScholarShare administered \$2.3 billion in assets for 177,000 Californians.
Total	\$3 Billion	

Education Financing Success Story: Para Los Ninos Charter is a charter elementary school that serves working families in the garment district of downtown Los Angeles. In 2006, CSFA granted the school \$582,000 to expand its facilities to increase the number of children the school could serve. When it opened its doors in 2002, Para Los Ninos served 60 kindergartners. Thanks in part to the CSFA grant, it now educates more than 200 children in kindergarten through fourth grade.

State Treasurer's Office Accomplishments 2006

Housing

The State Treasurer's Office helps provide California families affordable housing through the California Debt Limit Allocation Committee (CDLAC) and the California Tax Credit Allocation Committee (CTCAC). CDLAC awards tax-exempt bond financing to help construct low-income apartments and provide mortgage assistance to first-time homebuyers. CTCAC allocates state and federal low-income housing tax credits that create or preserve affordable apartments throughout the state. The following summarizes CDLAC's and CTCAC's accomplishment in 2006:

Home Purchase Aid for Teachers	\$110 Million	CDLAC provided bond allocation funds to help 500 school employees working in low-performing schools purchase their first homes with below-market interest rate mortgages.
Construct/Remodel	\$1.6 Billion	CTCAC provided tax credits to developers to build or remodel 16,220 low-income rental units.
Affordable Apartments/ Low-Interest Mortgages	\$2.49 Billion	CDLAC allotted tax-exempt bond financing to build nearly 14,000 affordable apartment units, and to provide more than 2,000 low-interest mortgages for first-time or low-income home buyers.

Total **\$4.2 billion**

Housing Success Story: The Wilshire/Vermont Station Project is a mixed-use urban village completed in 2006 with both bond financing and tax credits. The community includes 449 residential units, with 20 percent set aside for low-income tenants. In addition it has retail space and a Los Angeles Metropolitan Transportation Authority (MTA) Red Line station. The community is a public/private partnership between the MTA and the developer, Urban Partners, LLC. Urban Partners' equity partner in this project is MacFarlane Partners, the leading minority-owned real estate investment management firm in the country. MacFarlane Partners is investing in the project as part of its joint venture with the California Public Employees' Retirement System (CalPERS) to invest in urban-infill properties.

State Treasurer's Office Accomplishments 2006

Community Development

Through the California Pollution Control Financing Authority (CPCFA), the State Treasurer's Office administers two programs to improve the quality of life in, and attract investors and businesses to, distressed communities. The Sustainable Communities Grant and Loan (SCGL) Program utilizes smart growth strategies to prevent blight and urban sprawl. The California Recycle Underutilized Sites Program (CalReUSE) provides loans to help borrowers assess, and ultimately redevelop, properties with real or perceived contamination (brownfields). The following summarizes these programs' 2006 accomplishments:

Smart Growth Projects	\$4.16 Million	SCGL provided 14 grants to communities throughout the state for implementing policies, programs and projects using sustainable development principles (e.g., specific plans, alternative transportation studies, urban design studies, and projects such as community centers, park enhancements or infrastructure improvements, among others).
Brownfield Cleanup Assessment	\$560,000	CALReUSE provided loans to assess five brownfields, leading to the construction of 412 housing units.
Total	\$4.72 Million	

Community Development Success Story: In its early years, the City of Emeryville in the East Bay area was home to several chemical-intensive manufacturing companies. The firms are long gone, but their legacy remains in the form of soil and groundwater contamination and abandoned buildings. More than 20 percent of Emeryville's non-residential properties are vacant, and another 40% are underutilized. One such site, with suspected chromium contamination, was owned by a retiree who was having a hard time selling it. The eventual buyer received a CalReUSE loan for an environmental investigation that helped clarify the cost of developing the land. The assessment paved the way for the new owner to improve and expand the use of this light industrial site. In 2006, the owner repaid the CalReUSE loan, and one of Emeryville's blighted, vacant properties now is productive again.

State Treasurer's Office Accomplishments 2006

Economic Development

The State Treasurer's Office stimulates job growth, economic development and environmental improvement throughout the state through four entities: the California Industrial Development Financing Advisory Commission (CIDFAC), the California Pollution Control Financing Authority (CPCFA) and the California Tax Credit Allocation Committee (CTCAC) and the California Debt Limit Allocation Committee (CDLAC). Combined, the four entities provide businesses a variety of financing tools, including tax-exempt bonds, loans, consulting and tax credits. The following summarizes these programs' 2006 accomplishments:

Building and expanding manufacturing plants	\$28 Million	CIDFAC created 297 manufacturing jobs through its approval of industrial development bonds.
Small Business Loans/ Business Advising	\$67.7 Million \$1.5 Million	CPCFA provided small business loan guarantees and business advising services, helping preserve or create more than 2,600 jobs.
Waste Management/ Recycle Firm Expansion	\$238 Million	CPCFA approved tax-exempt bonds for 28 facilities in 14 counties that provide waste management or recycling services.
Attract/Retain Companies in Urban Renewal Areas	\$20 Million	CTCAC allocated tax credits to companies to acquire, renovate or rehabilitate property in Los Angeles and San Diego renewal areas, helping create 167 jobs.

Total **\$355 Million**

Economic Development Success Story: CIDFAC helped Culver City Meats of Los Angeles County obtain \$6.6 million in tax-exempt bond financing in 2006 to build a larger manufacturing plant. The new facility will allow the manufacturing part of the business to relocate next door to its distribution center and be closer to customers and suppliers. Both the new location and the larger facility will help the company meet a larger demand for its products and create 140 new jobs within the next two years.

State Treasurer's Office Accomplishments 2006

Investments

The State Treasurer's Office manages investment of taxpayer money through the Pooled Money Investment Account (PMIA), which includes the Local Agency Investment Fund (LAIF). LAIF offers local governments the opportunity to invest temporarily idle monies efficiently and at competitive yields. The Pooled Money Investment Board administers the PMIA, which provides an effective cash management and investment program. The PMIA uses all monies flowing through the Treasurer's bank accounts, and invests all funds consistent with the goals of safety, liquidity and yield.

Investing in Community Banks, Credit Unions and Savings Banks	\$8.5 Billion	The PMIA provided time deposits to community banks, savings banks and credit unions in more than 50 cities and 99 financial institutions throughout the state.
Securities	\$48.6 Billion	Total portfolio, as of December 31, 2006, including treasuries, agency bonds, CDs, commercial paper, corporate debt and other eligible securities.

Earnings ***\$2.16 Billion**

Investments Success Story: LAIF grew from 293 participants and \$468 million in assets in 1977 to 2,612 participants and \$16.7 billion in assets in 2006. Over the same period, time deposits increased from \$156 million to \$8.5 billion.

* Earnings for fiscal year ending June 30, 2006.